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District Profile and Sector Assessment - Bannu District

October 2009

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Data Page

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Abstract:

The purpose of this report is to provide data and analysis of critical characteristics based on social and economic indicators of the Bannu district and to identify what exists in district.

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Figure 1: Location of Bannu District (Highlighted in Red) Within the North West Frontier Province

Executive Summary

The historical accounts of District Bannu are as rich as its etymology. The origins of the Banusi people can be traced back to Arabia, coming from the Khost and Ghazni provinces of Afghanistan. Bannu became Divisional Headquarters in 1990, with Nawaz Sharif announcing its upgrade. The district of Bannu was divided into two and Lakki Marwat was separated from it to form its own new and independent district.

Bannu is one of the 24 districts that make up Khyber Pakhtunkhwa. It also holds economic importance owing to its strategic location in Pakistan, providing smooth access to the Central Asian Markets. Moreover, Baran Dam is a unique source of irrigation, as the only dam in Pakistan, situated in a natural low basin area and has never needed reconstruction since its initiation.

The agro-based economy of the district provides employment to the locals and the produce forms the major portion of the diet. In addition, the local handicrafts, leather accessories and the spices contribute to the local economy. The major industries of Bannu are cloth weaving and the manufacturing of cotton fabrics, machinery, and equipment.

1. Introduction and Background

1.1 Goals and Objectives

The overarching goal of the Empower Pakistan: FIRMS Project is to develop a dynamic, internationally competitive, business sector in Pakistan that is increasing exports, employing more people, and producing higher value added products and strengthening the business development services market, creating entrepreneurial opportunities for Pakistani women, and improving the business enabling. The District Profiles and Sector Assessments will identify sectors that can provide imminent economic and social impact in the selected districts.

1.2 Context: District Business Environment

The development of the District profiles and Sector Assessments will be based on three core themes: a market driven implementation plan for relevance, ownership, and sustainability; a focus on gender opportunity; and replicable systematic approaches for efficiency, scalability and sustainability. In addition, three complementary components will be included as follows: Component 1 will focus on development of the private sector by assisting key industrial sectors that offer the greatest opportunity for growth, exports, and employment. Project interventions will include developing a more competitive workforce, improving access to financing, and achievement of international standards and certifications by participating companies. Under this component, the Firms project will encourage growth of Pakistan's promising business sectors to compete in global markets. Component 2 is to develop business support services by developing a franchise network of local service providers who will assist private sector firms in their effort ensure sustainability. Component 3 will focus on the Pakistan business-enabling environment by actively pursuing policy and regulatory reforms at the national, provincial, and district levels, based largely on input from the private sector. Project interventions under this component will result in significantly reduced cost of doing business, increased ease in accessing government services, and development of government's capacity at all levels to respond more promptly to the needs of the private sector.

2. District Profile

2.1 Snapshot of District

2.1.1 Background

In the fourth century BCE, Bannu was noted by the Sanskrit grammarian Pānini as the historical country of Varnu. In the seventh century AD, the Chinese pilgrim Hsüan-tsang visited Bannu and Jaguda, Ghazni, while crossing the land of O-po-kien (Afghans i.e. Pashtuns). The Akra mounds are one of the relics from the ancient Indus Valley Civilization Ancient Indus Civilization. There are also relics left behind by Central Asian Invaders en route to the sub-continent. Many theories have been proposed about the origin of the word "Bannu". But the most widely recognized view is that the word "Bannu" is derived from "Bano." "Bano" was the wife of Shah Farid alias "Shitak- the founder of the present day Bannu and the founder of Banouchi Tribes. Bannu and the founder of Banouchi Tribes "Bano" was the sister of "Rustum" and the daughter of Zalizar and when she was married to Shah Farid, Rustum conferred upon her as dowry.

After the annexation of the Punjab, which then included the NWFP, the valley was administered by Herbert Edwards so thoroughly that it became a source of strength instead of weakness during the Indian Rebellion of 1857. Although the valley itself was peaceful it was subject to incursion from the Waziri tribes in the Tochi Valley and the neighboring hills. Salt was quarried on government account at Kalabagh and alum obtained from the same area. The chief export was wheat. The modern district of Bannu was originally a tehsil of the old Bannu district of British India, in the Derajat Division of the North-West Frontier Province. The capital Bannu in the north-west corner of the district was the base for expeditions by troops of the British Empire to the Tochi Valley and the Waziristan frontier, a military road led from Bannu town towards Dera Ismail Khan. The district of Bannu equivalent to the now defunct Bannu Division, upon the creation of the North-West Frontier Province in 1901, contained an area of 1,680 mi² (4,350 km²) lying north of the Indus, the cis-Indus portions of Bannu was ceded to Mianwali District of the Punjab. In 1901 the population was 231,485, of whom the great majority was Muslims. The principal tribes inhabiting the district are:

- Bani Zee, a Pathan people. The inhabitants of this district have always been very independent and stubbornly resisted the Afghan and Sikh predecessors of the British.
- Wazir, comparatively recent immigrants from the hills, for the most part peaceable and good cultivators.

Physical Features and Rivers/Streams

Bannu lies between 32 ° 43' and 33 ° 06' north latitudes and 70 ° 22' and 70 ° 57' east longitudes. Bannu district is approximately 192 kilometers to the south of Peshawar and lies in a sedimentary basin. It is flanked and guarded on all sides by the hard and dried mountain ranges of Koh-e-Safed and Koh-e-Suleiman. It is a scenic part of the southern region, due to the "Kurru" river and its tributaries. They have made it a land of meadows, crops and orchards. The Indus, which is nowhere bridged within the district, is navigable for native boats throughout its course of 76 mi (122 km). The main frontier tribes on the border are the Wazir, Betani and Dawar.

Ethnic Composition

The main tribes of the district are: Main clans: Banizee, Niazi, Wazirs, Marwats and Abbasies. Other tribes include Bhittaan, Syeds and Awan.

Table 1 Ethnic Composition: Bannu

Muslims	99.5%
Ahmadis	0.3%
Hindus	0.03%

2.1.2 Administrative Setup

There are Two Tehsils Bannu -1 & Bannu -2 as well as 49 Union Councils in the District. All the district office exists in Bannu. There are 80 NGOs are working but no records are provided due to law and order situation. They are all working under ground. The total population is 677346 Million, Total Union Councils are 49, Nazims and Naib Nazims are 49, There is 1 Zila Nazim and 1 Naib Zila Nazim. The Zila Nazim is the head of the district and the District Coordination Officer works under this position. DCO, in turn, is responsible to oversee the work of nine different departments within district government like Revenue, Finance and Planning, Law, Health, Agriculture, Community Development, IT, Education and Works & Services. There is an Executive District Officer in each department who heads that department.

2.1.3 Local Economy- Major Economic Sectors and Sub sector

Bannu has huge economic importance as it is the central market of the whole “Southern Region”, and furthermore it provides a safe and short route to the “Central Asian Markets”. Baran Dam is a unique source of irrigation it is the only dam in Pakistan, situated in a natural low basin area and has never needed reconstruction since its initiation. Bannu has pure drinking water provided to all the segments of society. So major economic sectors are:

- Agriculture
- Horticulture
- Live stock
- Leather
- Textile woolen Mill
- Spice grinding
- Sugar Mill
- Flour Mill
- Dall Mill

Total 33 Industries: Cement 1, Dall Mills 2, Flour Mills 2, Ice Factory 6, and Leather factory 16, Paper and Board 1, Spice 1, Woolen 1, Wood

2.1.4 Employment and Wages

Table 2 Employment Composition: Bannu

Professionals	5.7%
Agriculture	39%
Elementary Occupations	23.7%
Service & Shop Workers	9.23%
Craft & Trade Workers	6%
Others	16.2%

Unskilled labor gets Rs. 230 per day from the employer so the Total Rs. 6000 plus per month wages employ got by the employer. While skilled labor negotiates their wages with the employer.

2.1.5 Security (Crime Levels by Category, Security Personnel)

Table 3 Security Profile

No. of Police stations	12
Abduction	331
Murder	2893
Kidnapping	147
Theft	935
Miscellaneous	13915

2.2 Factor Environment

- Chamber of Commerce and Trade is the main business associations that provide support to businesses.
- These associations provide advocacy and some technical support. Formal training facilities are nonexistent.
- Writ of the Government is not effective and due to security situation discussed earlier, business community are reluctant to expanding their businesses. Political stability is the same as in the rest of the country.

2.2.1 Infrastructure

Lakki has a network of roads that very successfully, is serving to link up Larkana with other neighboring districts. The total length of the roads within the district is 391KM Kilometers; more than half of it is metal led while the remaining is 'Kachcha'.

The Airport is Located at Miranshah Road near Tableegi Markaz, i.e., 11 km from the city center. No regular flights are operated.

2.2.2 Natural Resources

Non-Trout Fish Production in is 2.440 M. tons in 2008 value in Rs. 244000. Total area of forest is 35587 acres. Protected forest is 236 acres. Private plantation is 35351 acres. Mineral production Iron ore 200 tons, silica sand 90 tons.

2.2.3 Macroeconomic Stability

Unemployment rate 24.2 %. Agriculture, horticulture, livestock (poultry) and trade are the main occupation of the district. The detail of occupation is given as following:

Table 4 Employment Breakup

Employment	40,000
Food	4000
Spice Grinding	250
Livestock	100,000
Leather Goods	100
Horticulture	1500
Pulses	16
Agriculture	12000

2.2.4 Health Services and Primary Education

Purpose: The state of health services and primary education is vital to the productivity of the district's workforce

Availability of Health Services:

There are 5 hospitals in which 1 is private and 4 governments. There are 95 doctors, 4 dental surgeons, 44 dispenser, 50 nurses, and 178-Para medical staff.

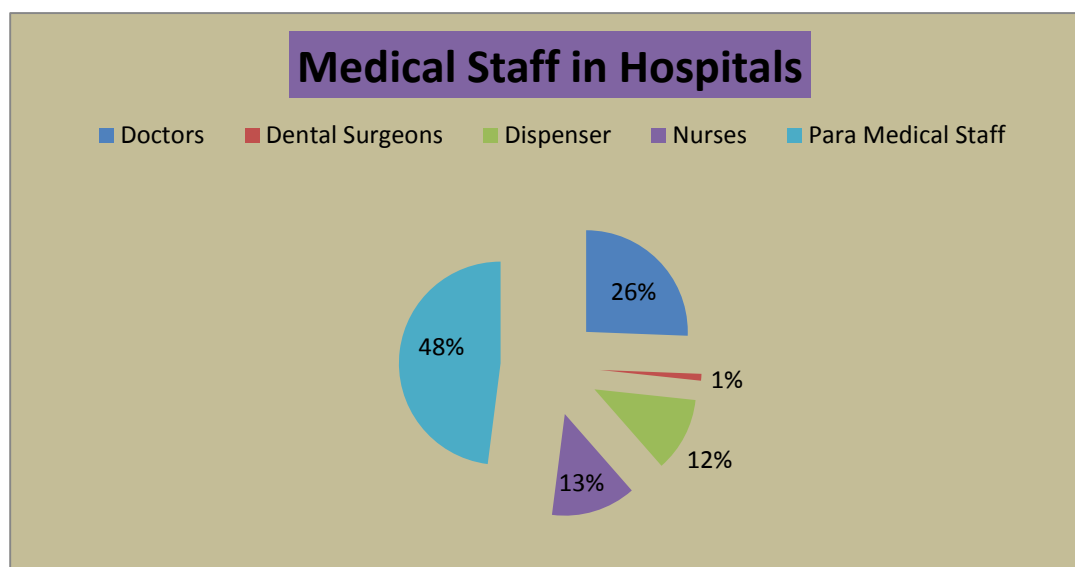


Figure 2 Medical Staff in Hospitals

Availability of Education:

Table 5 Literacy Rate: Bannu

Male Literacy Rate:	34 %
Female Literacy Rate:	10 %
Total Literacy Rate:	32.11 %

Table 6 Number of Schools in the District

Male Schools:	841
Female School:	611
Total Schools:	1452

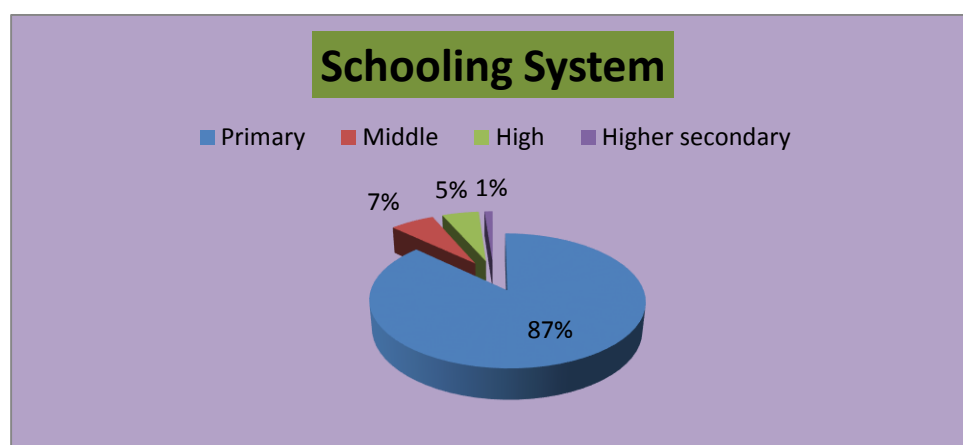


Figure 3: Schooling System

Population Demographics

Population of males is 34% and that of females is 10%. Population living in urban areas is 47676 and rural population is 627991. Employed population is 97345, Govt. Employees are 13928, private employees are 16613 & self-employed are 60002. Total labor force is 128222; unemployed is 30877.

2.3 Efficiency Enhancers

2.3.1 Relevance of Higher Education

The University has 10 programs BBA (Hons), BBA-IT, B.Ed, B.LIS and BS (CS) at Bachelors Level while MCS, MBA, MBA (Exec), M.Ed and MIT at Master's level and almost 500 students have been enrolled in the morning and evening programs.

Educational Institutes

- Bannu University of Science and Technology
- NWFP University of Engineering and Technology Bannu Campus
- Bannu Medical College

2.3.2 Relevance of Vocational and Technical Training:

Vocational and technical training institutes are not available.

3. Agriculture

3.1 Industry and Market Structure

3.1.1 Number of Firms

According to the agriculture statistics of NWFP 2007-08, total cultivated land in Bannu is 74129 hectares in which 64047 hectare is net sown land.

Table 7 Total Cultivated Area

District	Reported Area	Cultivated Area		
		Total	Net Sown	Current Fallow
N.W.F.P	5,619,653	1,690,152	1,127,209	562,943
Bannu	118958	74129	64047	10082

Source: Agriculture Statistics NWFP

As per our findings in the FGDs, the total number of farms is 37422. 55% of the families depend on agriculture.

3.1.2 Historic, Current, and Potential Sales within the Sector

There are three main crops of agriculture i.e. wheat, maize and rice in the district. According to the agriculture statistics report of NWFP, the total production of wheat in 2007-8 was 18,300 tons, maize was 8,900 tons, sugar cane 33,700 and turmeric was 2,996 tons. The sales figure of agriculture sector is PKR 222 million. The area under cultivation of each crop, total production and yield per hectare is given in the table below.

Table 8 Historic, Current, and Potential Sales within the Sector

Crop	2005-06			2006-07			2007-08		
	Area	Production	Yield per Hectare in Kg	Area	Production	Yield per Hectare in Kg	Area	Production	Yield per Hectare in Kg
Wheat	11414	19845	1739	12386	23250	1877	10107	18319	1813
Maize	5559	10104	1818	5255	9560	1819	4909	8944	1822
Rice	3100	1887	1875	3539	1887	1869	3536	1892	1643
Sugar Cane	682	27289	40013	780	31225	40032	837	33745	40317

Source: Agriculture Statistics NWFP

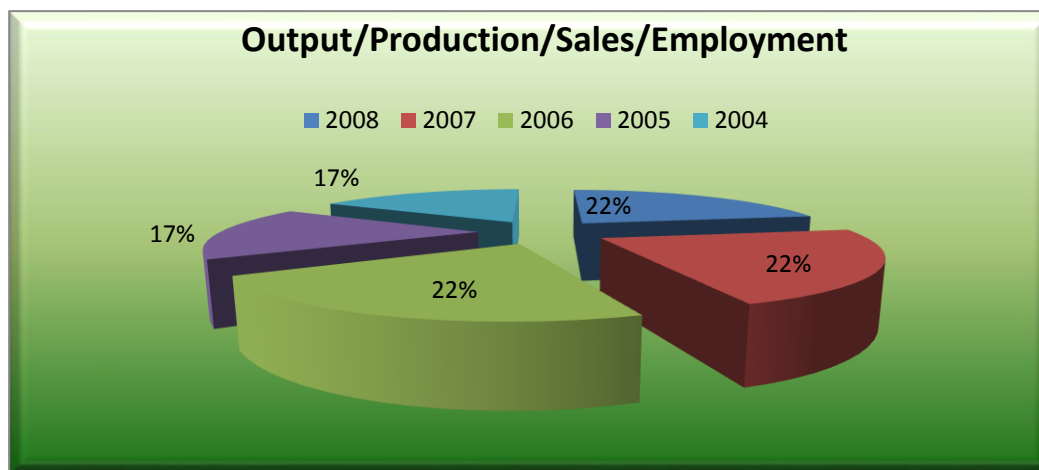


Figure 5: Output/Production/Sales/Employment

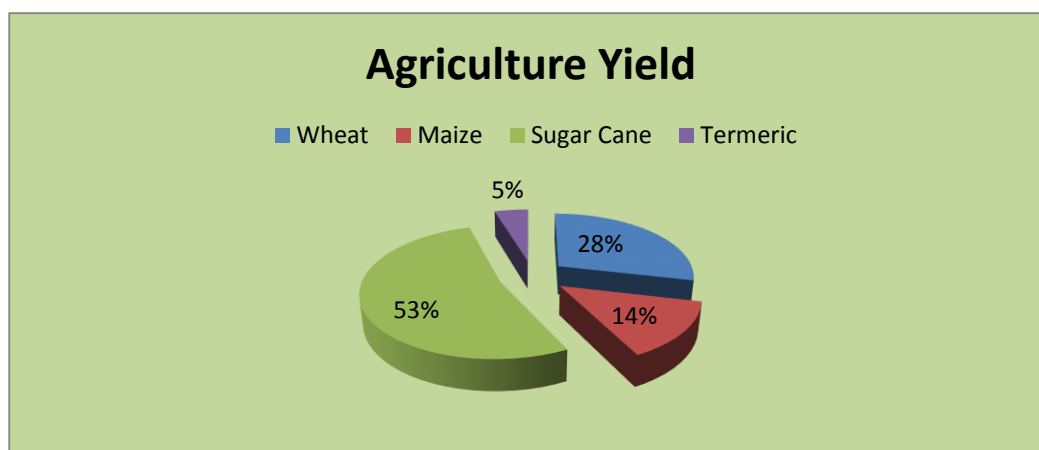


Figure 4: Agriculture Yield

The total number of farms in agriculture sector is 3950.

3.1.3 Historic, Current, and Potential Investment within the Sector

The investment data is not available as the farmers invest the amount they earn from the crops again the estimated percentage of the area to be increased is Maize: In future, they are increase the cultivated area 30 % of 4,900 hectares. Wheat: 60 % of the 10,100 hectares. Sugar Cane: 10 % of the 800 hectares (as per detailed FGDs discussions).

3.1.4 Employment

The total employment provided by the agriculture sector is 40932. The percentage of Agriculture workers is 39% of the total workers in Bannu. Women are not working outside in fields due to cultural and social constraints.

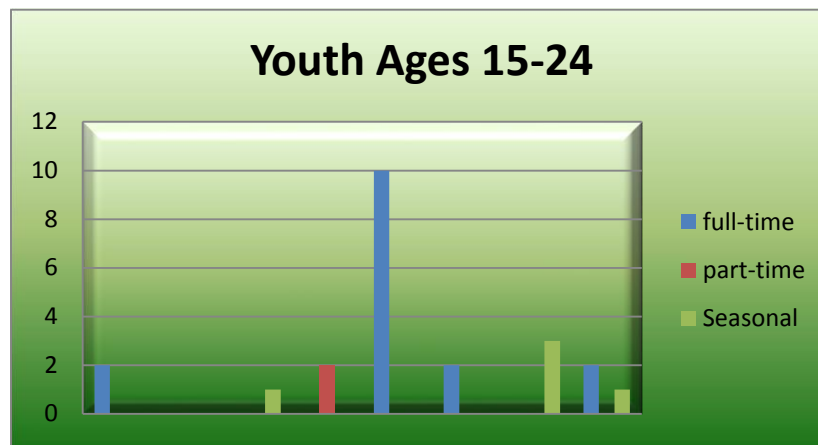


Figure 6: Youth Ages 15-24

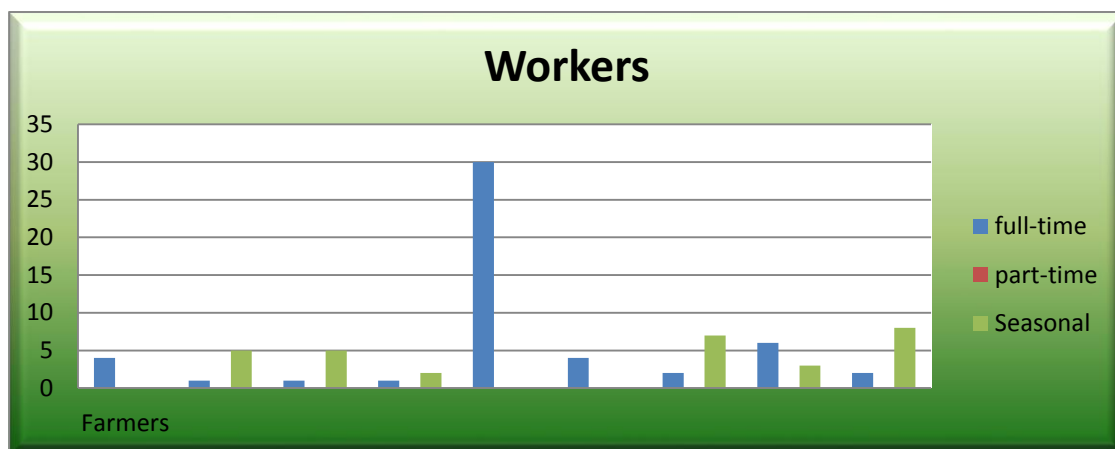


Figure 6: Workers

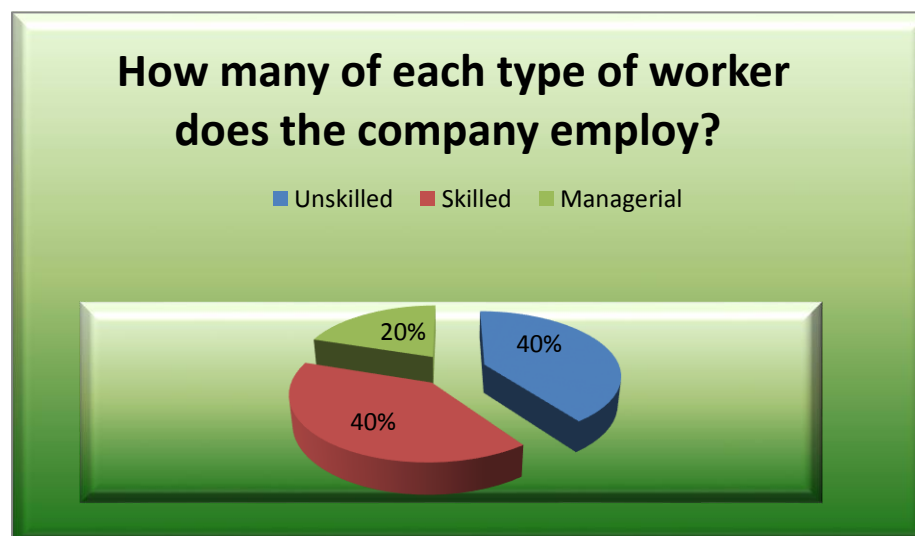


Figure 8: Types and Proportion of Workers Employed

Source: Primary Data

3.1.5 Geographical Concentration (presence of industry or service clusters)

Agriculture is the main source of earning of across the district. There is no specific cluster or geographic concentration. Nearest markets in South D.I Khan, South & North Waziristan Agencies, Afghanistan, in North Karak, Kohat, Peshawar and in connected areas of Punjab Mianwali, Bakhar.

3.2 Market Dynamics and Potential

3.2.1 Domestic Sales

The domestic sales are of PKR 222 million. The domestic sales of maize are 8,900 tons, wheat

Figure 7: Types and proportion of workers employed
is 18,300 tons, and sugar cane is 33,700 tons.

3.2.2 Export trends and potential

There are no export trends as the agriculture products full fill the demands of the local market.

3.2.3 Comparative Advantage

The area does not have much of the comparative advantage only cheap labor is the positive aspect there.

3.2.4 Market Readiness (use and adherence to national and international standards)

Agriculture produces are of good quality but with minimal standardization. The produces are used locally and in the adjacent districts. As the consumption is with the local market there is no need of proper packing and packaging.

3.3 Value Criteria

93% value creation in agriculture products.

3.3.1 Value Creation

Not applicable for agriculture

3.3.2 Residual value stream

There is no mechanism for the waste.

3.4 Supporting Environment

3.4.1 Business enabling constraints, including institutional and regulatory constraints

There are many constraints faced by the agriculture sector in Bannu. These days security problems are the most important constraints. The Talibanization has caused insecurity among the people. The lack of resources i.e. finances, water and transport are required in order to get maximum production of crops and then sales can be increased. Government policies are also

one of the hindrances in the progress of agriculture sector. There are cultural and social constraints due to which women do not participate in the businesses. They remain indoors.

3.4.2 Associations

There are associations but all are working informally and none of them is registered. Their role is negligible.

3.4.3 Higher education and vocational education institutions & annual number of graduates from these institutions

There are two technical institutes in Bannu, and the Kohat University is also playing an important role in raising the standards of the people in Bannu.

3.4.4 Other government/nongovernmental institutions

The agriculture department in Bannu helps the farmers in creating awareness and provides them support.

3.4.5 Costs of electrical inefficiencies to enterprises interviewed

Not applicable in agriculture areas except those areas in which tube wells are used for irrigation

3.4.6 Availability of transportation/ logistics infrastructure

In Bannu mostly motorbikes and pull & push carts are used. No other proper transport is available. So it is difficult to reach far areas of the district and other districts as well. Due to which the products are usually consumed locally, but some products are taken to Punjab areas through vans.

3.4.7 Availability of other supporting infrastructure (e.g. zones) cost and time of delivery to market

Due to lack of infrastructure and poor transport facilities the products are used with the area. Otherwise if they arrange for transport the cost increases as they had to cover the transport cost. If facilities are provided and the storage houses are arranged then it can benefit them.

3.4.8 Complementarities with the values, goals, investments, and resource capacities of the other EP projects

Not applicable

4. Handicrafts

4.1 Industry and Market Structure

4.1.1 Number of Firms and Competitive Environment

Women dominate this sector as they can remain indoors and can work. The 13600 households are engaged in handicrafts business. The mazry baskets, mats, quilts, sweets, washing powder, clothe stitching and beauty parlors are the common businesses in Bannu.

4.1.2 Historic, current, and potential sales within the sector

The sales figure is PKR 720 million in this sector (Source: Primary Data).

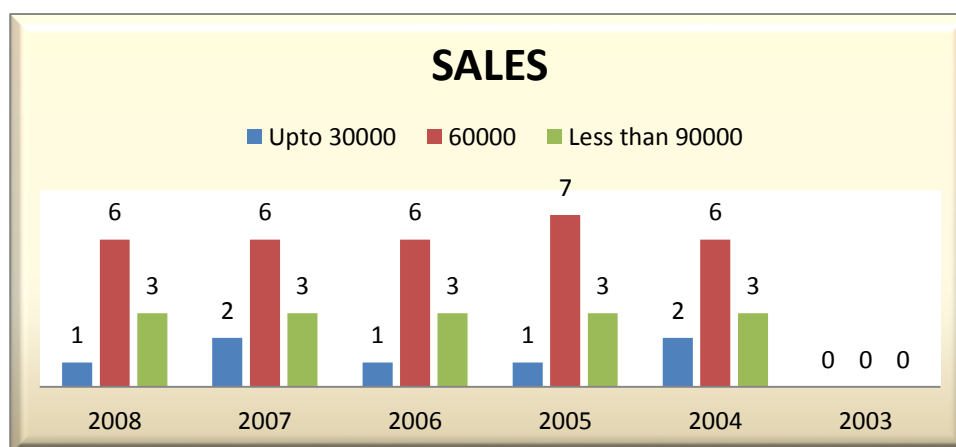


Figure 8: Sales Figures

4.1.3 Historic, current, and potential investment within the sector

The estimated investment is PKR 163 Million in this sector.

4.1.4 Employment

The employment provided by the handicraft sector is 40,000. In this sector the female workers are more dominant and prominent. 97% of women are working in handicrafts. The source of the following figures is primary data.

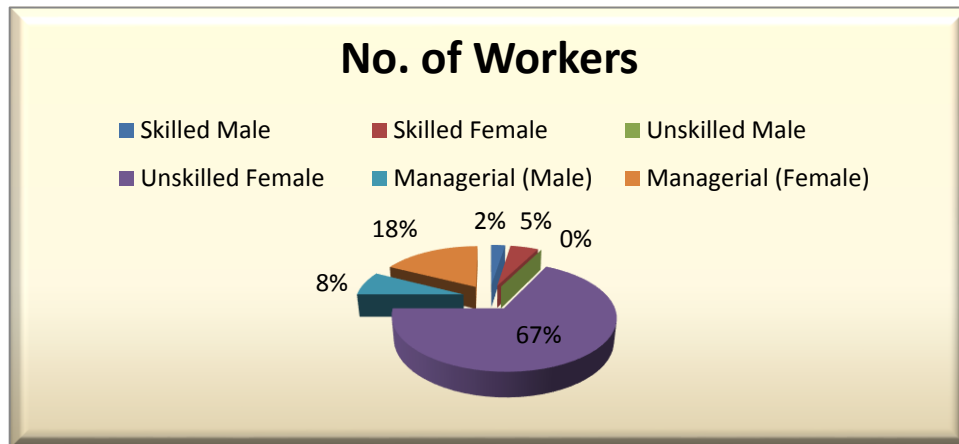


Figure 10: Number of workers

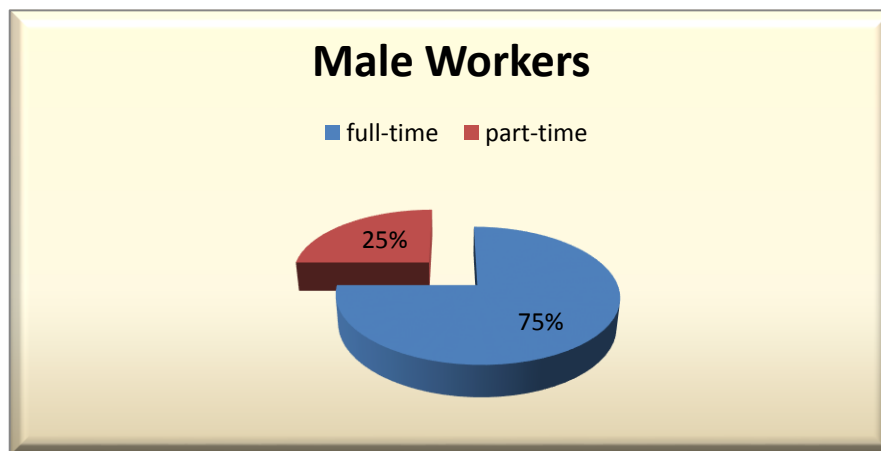


Figure 9: Male Workers

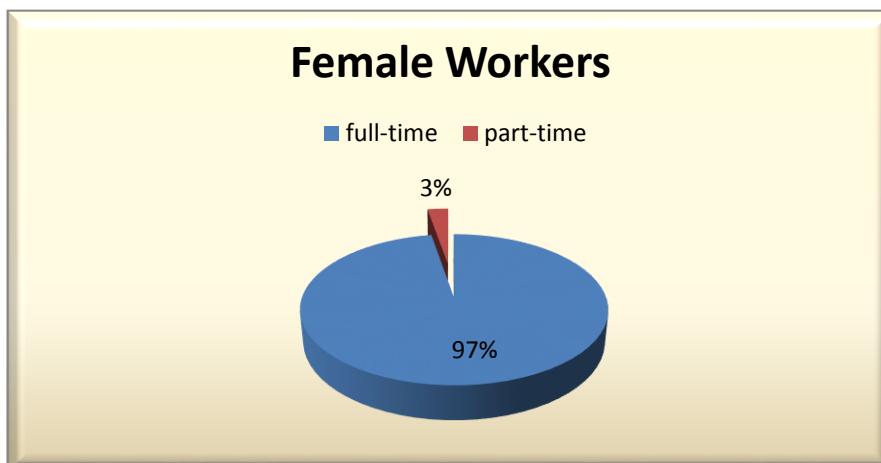


Figure 12: Female Workers

4.1.5 Geographical Concentration (presence of industry or service clusters)

Agriculture is the main source of earning of across the district. There is no specific cluster or geographic concentration. Nearest markets in South D.I Khan, South & North Waziristan Agencies, Afghanistan, in North Karak, Kohat, Peshawar and in connected areas of Punjab Mianwali, Bakhar.

4.2 Market Dynamics and Potential

4.2.1 Domestic Sales

The domestic sales are PKR 720 Million in handicrafts business.

Figure 11: Female Workers

4.2.2 Export trends and potential

The products are not exported to other areas. Only within the districts the products are utilized. The products are taken to some of the close areas of Punjab.

4.2.3 Comparative Advantage

According to the respondents the two most important advantages of Bannu for embroidery are availability of cheap and skilled labor. As embroidery is a labor-intensive sector, the availability of cheap labor reduces the cost of business considerably. Moreover, the clusters for embroidery have been developed already therefore there are skilled female available. Since embroidery needs innovations in design and delicacy, skilled labor enhances the marketability and increases sales.

4.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

The products are made according to the market requirements. But there is no formal standardization practice as such. There are no specific packaging requirements of these products.

4.3 Value Criteria

4.3.1 Value Creation

Different products have different value addition. The average value creation in this sector is 84%.

4.3.2 Residual Value Stream

There is almost no waste in this sector. Almost all of the material is used because most of the work is done by hand.

4.4 Women, Youth, IDP Employment Opportunities

4.4.1 Women-owned businesses

All businesses in this sector are owned by women.

4.4.2 Historic, current, and potential employment of women, youth

97 % of the sector is with women. All age women are working indoors in this sector.

4.4.3 Employment of IDPs in at-risk districts

There are no IDPs working in this sector.

4.5 Supporting Environment for Value Chain

4.5.1 Business enabling constraints, including institutional and regulatory constraints

There is lack of finance; if more investment is done in this sector the sector can benefit Bannu. The products are not marketed properly, due to which there is lack of awareness about the quality products.

4.5.2 Business associations

There are no formal business associations.

4.5.3 Higher education and vocational education institutions & annual number of graduates from these institutions

There are no vocational institutions for embroidery in the district. Some females offer informal training to new entrants.

4.5.4 Other government/non-government institutions

Not Applicable

4.5.5 Costs of electrical inefficiencies to enterprises interviewed

The loss per week is 20 hours due to the electricity inefficiency, which naturally affects the making of products as the handmade items need proper lightening.

4.5.6 Availability of transportation/ logistics infrastructure

Raw material and finished products are transported via the public transport. Transportation and infrastructure is available and have little impact on their business.

4.5.7 Availability of other supporting infrastructure (e.g. zones)

Not available

4.5.8 Cost and time of delivery to market

There is no cost for the delivery to the market.

4.5.9 Complementarities with the values, goals, investments, and resource capacities of the other EP projects

N/A

5. Livestock

5.1 Industry and Market Structure

5.1.1 Number of Firms and Competitive Environment

Livestock is one of the main economic sectors of Bannu. The total of 68000 households is involved in livestock businesses.

Table 9 Households involved in Livestock

District	Total	Cattle	Buffaloes	Sheep	Goats	Poultry
N.W.F.P	35,632,579	4,422,358	1,801,658	1,685,748	6,180,537	21,004,067
Bannu	1,178,090	89,277	39,396	84,831	155,372	809,214

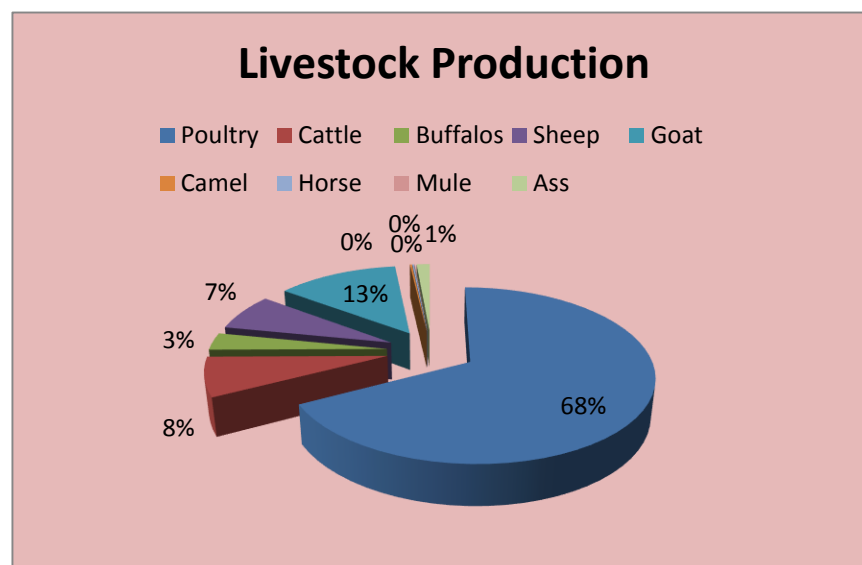


Figure 12: Livestock Production

Source: Livestock Census 2006

5.1.2 Historic, Current, and Potential Sales within the Sector

The sales figure from the livestock in Bannu is PKR 1.2 billion.

5.1.3 Historic, Current, and Potential Investment within the Sector

The investment in the live stock sector is of PKR 2.4 Billion.

5.1.4 Employment

The employment generated by the livestock sector in Bannu is 100,000.

5.1.5 Geographical Concentration

The nearest markets in South includes D.I Khan, South & North Waziristan Agencies, Afghanistan, in North it includes Karak, Kohat, Peshawar and in connected areas of Punjab Mianwali & Bakhar.

5.2 Market Dynamics and Potential

5.2.1 Domestic Sales

The domestic sales are of 1.2 billion.

5.2.2 Export trends and potential

Data about the exports of livestock are not available. But Afghanistan is the close market for the exports, which is informal.

5.2.3 Comparative Advantage

The protection of livestock against different diseases is to be sure. The household are mostly involved in the businesses, so therefore labor is not much required.

5.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

No standards are as such followed for any packaging in this sector.

5.3 Value Criteria

5.3.1 Value Creation

The value creation is 75% in the livestock sector.

5.3.2 Residual value stream

No waste stream.

5.4 Women, Youth, IDP Employment Opportunities

5.4.1 Women oriented businesses

The women are involved in this business and it suits them because of the social constraints, as they cannot work outside. 70% of women are involved in this business.

5.4.2 Historic, Current, and Potential Employment of Women, Youth; Employment of IDPs in At-Risk Districts

There are no women and IDPs employees in the farm. Women are engaged in livestock but those are not considered as commercial activity. However, their contribution cannot be overlooked.

5.5 Supporting Environment for Value Chain

5.5.1 Business enabling constraints, including institutional and regulatory constraints

There is a lack of medicines to cure the animals from diseases. The chilling machines are required to preserve eggs and milk. Due to law and order situation the environment of Bannu is not suitable for businesses.

5.5.2 Business Associations

No formal associations as the business is mostly home based.

5.5.3 Higher Education and Vocational Education Institutions & Annual Number of Graduates From These Institutions

There is no higher education or vocational education institution in the district for livestock.

5.5.4 Other Government/Nongovernmental Institutions

The livestock department is present in Bannu for support services.

Table 10 Livestock Government/Nongovernmental Institutions

District	Total	Hospitals	Dispensaries	Centres
NWFP	763	101	420	242

5.5.5 Costs of Electrical Inefficiencies to Enterprises Interviewed

Electricity inefficiency does not affect the business as such.

5.5.6 Availability of transportation/ logistics infrastructure

Motorbikes and vans are used for transport.

5.5.7 Availability of Other Supporting Infrastructure (E.G. Zones)

No supporting zone exists.

5.5.8 Cost and Time of Delivery to Market

Almost all farmers sell the products inside the farm and they do not need to transport it to the market. 1% of the cost and time are consumed for delivery to market.

5.5.9 Complementarities with the values, goals, investments, and resource capacities of the other EP projects

Not applicable

6. Horticulture

6.1 Industry and Market Structure

6.1.1 Number of Firms and Competitive Environment

There are 521 farms present in the horticulture sector of Bannu. The products are banana, dates, guava and turmeric. The fruits are of high quality and are of export quality.

Table 11 Horticulture Farm Production in Bannu

Sr. No.	Name of H-Items	Production (In Tons)
1	Guava	10,545
2	Dates	2,860
3	Banana	11,323
4	Fig	65

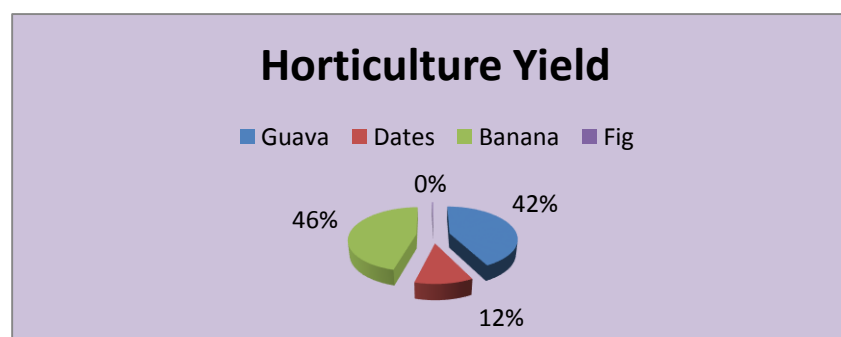


Figure 13: Horticulture Yield

6.1.2 Historic, current, and potential sales within the sector

The sales of banana: PKR 679,380,000; dates: PKR 343,200,000; guava: PKR 632,700, 000; turmeric: PKR 299,600,000.

6.1.3 Historic, current, and potential investment within the sector

Banana: Potential investment will be 15,000.

Dates: If it value added then its potential investment will be 40% total outputs.

Guava: Total potential investment will be 20% of the total production.

Turmeric: Potential investment will be 60 % of the total production.

6.1.4 Employment

The employment provided by the sector is 1500.

6.1.5 Geographical Concentration (presence of industry or service clusters)

The nearest markets in South includes D.I Khan, South & North Waziristan Agencies, Afghanistan, in North it includes Karak, Kohat, Peshawar and in connected areas of Punjab Mianwali & Bakhar.

6.2 Market Dynamics and Potential

6.2.1 Domestic Sales

The domestic sales figures for banana is PKR 679M, dates is PKR 343M, guava is PKR 632 M and turmeric is PKR299 M.

6.2.2 Export trends and potential

Export data is not available. The products are informally exported to Afghanistan.

6.2.3 Comparative Advantage

No comparative advantage.

6.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

No standards are as such followed. There is no packaging and packing mechanism. There are no preservation techniques or cold storages available for the products.

6.3 Value Criteria

6.3.1 Value Creation

Value creation in the horticulture is 81% in Bannu.

6.3.2 Residual value stream

No waste stream management.

6.4 Women, Youth, IDP Employment Opportunities

6.4.1 Women-owned businesses

Women are not allowed to work in fields.

6.4.2 Historic, current, and potential employment of women, youth; Employment of IDPs in at-risk Districts

No IDPs in at risk in the district. No employment of women in horticulture.

6.5 Supporting Environment for Value Chain

6.5.1 Business enabling constraints, including institutional and regulatory constraints

The major constraints are the high taxes by the government. There are social and cultural constraints due to which women are not allowed to work in fields. The lack of water and irrigation system is badly affecting this sector. No medicines and fertilizers are available which affects the production of the fruits. There are no storage houses and preservation facilities for the fruits.

6.5.2 Business Associations

There are no formal associations.

6.5.3 Higher education and vocational education institutions & annual number of graduates from these institutions

There are no higher education and vocational education institutions in the district for horticulture sector.

6.5.4 Other government/nongovernmental institutions

No government institutions exist.

6.5.5 Costs of electrical inefficiencies to enterprises interviewed

The shortfall of electricity does not affect the horticulture business.

6.5.6 Availability of transportation/ logistics infrastructure

Trucks and vans are available for the transport.

6.5.7 Availability of other supporting infrastructure (e.g. zones)

There is no other supporting infrastructure for horticulture in Bannu.

6.5.8 Cost and time of delivery to market

1% is the cost and time to deliverable the products to the market.

6.5.9 Complementarities with the values, goals, investments, and resource capacities of the other EP projects

Not Applicable

7. Leather Goods

7.1 Industry and Market Structure

7.1.1 Number of Firms and Competitive Environment

There are 16 leather businesses in Bannu. The sector is of great importance. The goods produced are of export quality. Shoe making is important part of the sector.

7.1.2 Historic, current, and potential sales within the sector

The sales within the sector are PKR 166 Million.

7.1.3 Historic, current, and potential investment within the sector

The investment in the sector is of PKR 37,847 million in all the 16 businesses.

7.1.4 Employment

There are a total of 100 workers involved in the sector.

7.1.5 Geographical Concentration

Trading is concentrated in urban centers in Timergara, Khal, Rabat, Samarbagh, Munda, Chakdara and Talash.

7.2 Market Dynamics and Potential

7.2.1 Domestic Sales

The sales figure is PKR 166 million.

7.2.2 Export trends and potential

The 10% of the goods produced are exported to Canada.

7.2.3 Comparative Advantage

Cheap labor is one of the advantages to the sector.

7.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

Not Applicable

7.3 Value Criteria

7.3.1 Value Creation

Value creation in trade is 76%.

7.3.2 Residual value stream

Small items such as key chains are made out of the waste produced.

7.4 Women, Youth, IDP Employment Opportunities

7.4.1 Women-owned businesses

No women owned businesses.

7.4.2 Historic, current, and potential employment of women, youth; Employment of IDPs in at-risk Districts

Women are not involved in this business. No IDPs are at risk.

7.5 Supporting Environment for Value Chain

7.5.1 Business enabling constraints, including institutional and regulatory constraints

Major constraints are lack of capital and electricity. Other constraints include transportation, utilities, skill deficiency and government policies. Lack of skilled labor is the main constrained faced by the sector as the skill labor has started moving to Punjab areas.

7.5.2 Business Associations

No formal business associations.

7.5.3 Higher education and vocational education institutions & annual number of graduates from these institutions

Not available

7.5.4 Other government/nongovernmental institutions

Not available

7.5.5 Costs of electrical inefficiencies to enterprises interviewed

40 hours per week are lost due to electricity shortfall.

7.5.6 Availability of transportation/ logistics infrastructure

Vans and trucks are used for the transportation of goods.

7.5.7 Availability of other supporting infrastructure (e.g. zones)

Not available

7.5.8 Cost and time of delivery to market

1% of cost and time are utilized to deliver the goods to the market.

7.5.9 Complementarities with the values, goals, investments, and resource capacities of the other EP project

Not Applicable

8. Spice Grinding Sector

8.1 Industry and Market Structure

8.1.1 Number of Firms and Competitive Environment

The total of 50 business of spice grinding exists in the open market.

8.1.2 Historic, current, and potential sales within the sector

The sales are of PKR 450 million.

8.1.3 Historic, current, and potential investment within the sector

The investment figure is not available.

8.1.4 Employment

There are 250 people employed in this sector.

8.1.5 Geographical Concentration (presence of industry or service clusters)

Nearest markets in South are D.I Khan, South & North Waziristan Agencies, Afghanistan, and in North are Karak, Kohat, Peshawar and in connected areas of Punjab Mianwali and Bakhar.

8.2 Market Dynamics and Potential

8.2.1 Domestic Sales

The domestic sales figure of the spice grinding is PKR 450 Million.

8.2.2 Export trends and potential

No export data is available.

8.2.3 Comparative Advantage

Cheap labor is the comparative advantage. Hafiz Masal-Jat is also concentrating on packing and packaging.

8.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

Not applicable

8.3 Value Criteria

8.3.1 Value creation

Value creation is 78% in the sector

8.3.2 Residual value stream

Not applicable

8.4 Women, Youth, IDP Employment Opportunities

8.4.1 Women-owned businesses

There are no women-owned businesses

8.5 Historic, current, and potential employment of women, youth; Employment of IDPs in at-risk Districts Supporting Environment

8.5.1 Business enabling constraints, including institutional and regulatory constraints

Lack of infrastructure is the main constraints.

8.5.2 Business Association

It is a part of trade association.

8.5.3 Higher education and vocational education institutions & annual number of graduates from these institutions

No institutes for spice grinding are present.

8.5.4 Other government/nongovernmental institutions

No such institutions are available.

8.5.5 Costs of electrical inefficiencies to enterprises interviewed

The electricity shortfall does affect the business.

8.5.6 Availability of transportation/ logistics infrastructure

Transport is available both for raw material and finished goods. Vans are used for raw material and transportation of finished products.

8.5.7 Availability of other supporting infrastructure (e.g. zones)

There is no supporting infrastructure available for spice grinding in the district.

8.5.8 Cost and time of delivery to market

1% of the cost and time is used for delivery to the market.

9. Pulses

9.1 Industry and Market Structure

9.1.1 Number of Firms and Competitive Environment

There are 2 factories for pulses in Bannu.

9.1.2 Historic, current, and potential sales within the sector

The sales of this sector are PKR 165 million.

9.1.3 Historic, current, and potential investment within the sector

The sales of this sector are PKR 165 million.

9.1.4 Employment

According to the FGD data total employment in the sector is 16 workers.

9.1.5 Geographical Concentration

The closed areas and Punjab and surrounding areas.

9.2 Market Dynamics and Potential

9.2.1 Domestic Sales

The domestic sales figure is PKR 165 million.

9.2.2 Export trends and potential

The pulses are informally exported to Afghanistan.

9.2.3 Comparative Advantage

Not applicable

9.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

Not applicable

9.3 Value Criteria

9.3.1 Value creation

Average value creation in pulses is 82 percent.

9.3.2 Residual value stream

Not applicable

9.4 Women, Youth, IDP Employment Opportunities

9.4.1 Women-owned businesses

There are no women-owned businesses in the sector.

9.4.2 Historic, current, and potential employment of women, youth; Employment of IDPs in at-risk Districts

There are no women and IDPs employees in this sector.

9.5 Supporting Environment

9.5.1 Business enabling constraints, including institutional and regulatory constraints

Law and order situation is getting worse in Bannu. High government taxes and lack of availability of skilled labor is affecting the sector.

9.5.2 Business Associations

No formal associations.

9.5.3 Higher education and vocational education institutions & annual number of graduates from these institutions

Not available

9.5.4 Other government/nongovernmental institutions

Not available

9.5.5 Costs of electrical inefficiencies to enterprises interviewed

About 36 hours are lost per week due to the electricity shortfall.

9.5.6 Transportation and Logistics (including cost and time to market)

Vans and trucks are available to transport the finished goods.

9.5.7 Availability of other supporting infrastructure (e.g. zones)

Not available

9.5.8 Cost and time of delivery to market

The cost to deliver the goods to market is 3%.

9.5.9 Complementarities with the values, goals, investments, and resource capacities of the other EP project

N/A

10. Food Sector

10.1 Industry and Market Structure

10.1.1 Number of Firms and Competitive Environment

The total numbers of households in this business are 2000.

10.1.2 Historic, current, and potential sales within the sector

The total sales of the food sector are PKR 85 million.

10.1.3 Historic, current, and potential investment within the sector

Investment in the sector is PKR 10 million.

10.1.4 Employment

The employments provided by this sector are 4000 workers.

10.1.5 Geographical Concentration

The nearest markets in South includes D.I Khan, South & North Waziristan Agencies, Afghanistan, in North it includes Karak, Kohat, Peshawar and in connected areas of Punjab Mianwali & Bakhar.

10.2 Market Dynamics and Potential

10.2.1 Domestic Sales

The domestic sales figure provided is PKR 85 million.

10.2.2 Export trends and potential

No proper exports but informally some of the goods are exported to Afghanistan being the nearest markets available.

10.2.3 Comparative Advantage

Only cheap labor is the comparative advantage to this sector.

10.2.4 Market readiness, including ability to meet end market requirements (standards, packaging, volume)

Not applicable

10.3 Value Criteria

10.3.1 Value Creation

Value creation in this sector is 89% on average.

10.4 Women, Youth, IDP Employment Opportunities

10.4.1 Women-owned businesses

100% women owned businesses.

10.4.2 Historic, current, and potential employment of women, youth; Employment of IDPs in at-risk districts

Not applicable.

10.5 Supporting Environment

10.5.1 Business enabling constraints, including institutional and regulatory constraints

No regulatory constraints as such.

10.5.2 Business Associations

There is no association in this sector in Bannu.

10.5.3 Higher education and vocational education institutions & annual number of graduates from these institutions

Not available

10.5.4 Other government/nongovernmental institutions

Not available

10.5.5 Costs of electrical inefficiencies to enterprises interviewed

The units do suffer from the shortage of electricity.

10.5.6 Transportation and Logistics (including cost and time to market)

Transport is available for the goods to be taken to different areas.

10.5.7 Availability of other supporting infrastructure (e.g. zones

Not available

10.5.8 Cost and time of delivery to market

The delivery cost is 2 %.

